



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

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## European Union

### Grain and Feed

## EU Commission rejects all new grains export licences

**2003**

**Approved by:**

Norval Francis

U.S. Mission to the EU, Brussels

**Prepared by:**

Peter Talks

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**Report Highlights:**

The threat of an EU cereals shortage due to the current drought, has led the Commission to suspend the issuing of new grains export licences. In addition a technical change to the standing refunds system means that an export tax could be introduced at any moment. The effect of these two changes are likely to discourage any bids for export licences.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Brussels USEU [BE2]  
[E2]

The EU grains management committee has suspended the issuing of new export licences delivered through the weekly tender system. This is due to concerns over the impact of the drought in the EU may have on the grains supply balance. The suspension is for an indefinite period, which could last for several months, though as new data comes in after the summer break, the grain market outlook should become clearer.

The suspension of the weekly tender system is not an export ban as had been reported by some press. There is a system for issuing licences on a daily basis, though changes to these to 'nil value' reduce their period of validity as well as not being particularly attractive to grain exporters. Should the Commission decide to impose an export tax on grains exports, it could do so through these daily licences.

However, it is also important to note that export licences for 1.6 MMT of grains, valid until the end of November, have already been issued. These can be used freely. The last time the weekly tender system was suspended was from July to November 1995 following very poor weather.

The next meeting of the EU grains management committee is slated for the 14<sup>th</sup> August.

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E-mail: AgUSEUBrussels@usda.gov

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